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Ministry of Forests

NURSERY PRIVATIZATION CREATES NEW OPPORTUNITIES

SALMON ARM – An employees group has won a bid to operate the Skimikin tree-seedling nursery near Salmon Arm, Forests Minister Michael de Jong announced today.

Under their proposal, Skimikin Nursery employees and the Outland Group, the largest silvicultural contracting company in Canada, would form a new company called Skimikin NurseryCo. The proposal is subject to successful negotiations between the new company and government; it is expected to be finalized mid-October.

"Everyone wins with this proposal," said de Jong. "Nursery staff will continue to work in their community, and government receives a fair value for the asset. It also shows that the business sector has the confidence to invest in British Columbia and help rebuild the economy. And it gets government out of a business that can be more effectively run by the private sector."

"It's great news that Skimikin Nursery can continue producing top-quality tree seedlings," said Shuswap MLA George Abbott. "Another bonus in the proposal is expansion plans for the nursery that could bring new jobs, increased economic activity and spinoff benefits to Salmon Arm and surrounding communities."

When the agreement is finalized, Jim Kusisto, the current nursery manager, will take on a new role as president of Skimikin NurseryCo. "Our partnership with the Outland Group represents a giant leap towards an exciting business venture," said Kusisto. "We bring the tree-growing experience and Outland brings the business expertise. That's given nursery staff the confidence to invest in the company, themselves and their futures."

Sixteen nursery employees invested their own money to create the new company. These employees will hold 60 per cent ownership in the new venture, moving from government jobs to become private-sector entrepreneurs.

The Outland Group, which will maintain 40 per cent ownership in Skimikin NurseryCo, owns other British Columbia silvicultural companies that are active here and in Alberta in reforestation, juvenile spacing, firefighting and nursery harvesting.

Skimikin Nursery was established in 1972 near Salmon Arm to produce tree seedlings for reforestation. The nursery has operated continuously since then, producing Interior spruce, lodgepole pine, Douglas fir and other seedling species. Annual production is about five million seedlings per year. Skimikin has also been the primary supplier of grafted spruce and lodgepole pine trees for the provincial tree improvement program.

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To support the government's goal to restore sound fiscal management, the Ministry of Forests announced earlier this year that it would focus on its core stewardship and forest management duties and gradually withdraw from the operation of nurseries and seed orchards. Privatization of the Skimikin nursery will reduce the size of government and at the same time create new business opportunities.

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